

p r o j e c t

**D E E F Y**

Design Education For Yourself

## **Business Plan**

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## Executive Summary

### Impact Strategy

Project DEFY enables and empowers people to take control of their lives by activating community spaces where a culture of learning, experimentation and innovation is fostered. These community spaces are called nooks. Nooks are self learning schools that only require a physical space, internet, tools, laptops, discarded or donated materials and community support. Nooks help individuals self-actualize by giving them a choice in their learning outcomes. Learning is encouraged through the environment that is created when a community is inspired to gather and explore together. Nooks are low cost and can be easily set up and maintained by any organization.

### Market Analysis

The Nook is catered toward the lowest earning 20% of the global population, which is 40% less likely to be in school than the wealthiest 20%. Project DEFY's target beneficiaries are those living in underserved rural communities, where the problems associated with poverty are both prevalent and persistent. Though the Nook concept is widely applicable, the need is most dire in these areas where opportunity is scarce, and traditional education models have failed to make a meaningful impact in the lives the community. Project DEFY will initially focus on the geographic areas of Sub Saharan Africa and South Asia.

### Organization

Project DEFY is a registered as a Section 8 not-for-profit company in India. The management team consists of three individuals with experience in social enterprise, nonprofit management, social work, and law. The organization also employs three part-time employees who work on communications and Nook support. Project DEFY also plans to create three essential roles within the organization. The first is a *Builder* who will be responsible for reaching out to potential partners and prospecting the creation of new nooks. The second is a *Hopper* who will be responsible for in-person Nook activation, and the third is a *Trailer* who will be responsible

for supporting Nooks for 6 months after the initial activation.

### **Operations Plan**

Project DEFY plans to scale its impact swiftly and efficiently by leveraging the low cost, self sustaining Nook concept and by focusing on the activation of Nooks around the world. Project DEFY's operations are set up to be scalable and agile. The primary operational objective is to activate new Nooks. The running of the Nooks will be the responsibility of DEFY's partner organizations; DEFY will provide post-activation support, but most Nook support will come from the network of already set up Nooks. By year five DEFY will have activated over 350 Nooks in India and abroad. Because the Nook concept will be open source, and because DEFY plans to provide a free Manual on the Nook creation process, we expect that many more Nooks will have organically materialized by this time.

### **Financial Plan**

Project Defy Plans to fund its project through a combination of contracts for services, philanthropy and grants. The main source of funding will come from partners, which may be NGOs, governments, corporations or individuals interested in starting and running their own Nooks. Partners will be responsible for funding all of the costs associated with setting up the space (rent, internet, tools, laptops, and personnel). Project DEFY will contract with partners to activate the space for a small fee averaging ₹210,000. Partners will also be responsible for travel costs associated with setting up the space. Project DEFY expects to be completely self sufficient (not reliant on philanthropy or grants) using this structure by year four.

### **Metrics**

Project Defy is developing an open source monitoring and evaluation platform for self learning. This platform will be designed to measure progress of self learners and gather data on the performance of Nooks. Project Defy is currently collecting data dealing with the profile of learners, the usage of Nooks, and the Nooks performance within a community.

# Impact Strategy

## Company Overview

Project DEFY is a not-for-profit company that was conceptualized in 2014 when its founder, Abhijit Sinha, recognized the inadequacies of institutionalized education and set out to experiment with a better way to learn. Project DEFY started with a room, an internet connection, and some laptops. Local children in the village of Banjarapalya would come to play games on the laptops and Abhijit found that within two hours and with zero guidance, kids who had never seen a computer before had figured out how to search the internet and download new games onto the laptops. The children started bringing broken electronics and a collection of random discarded material to the space. They started using the internet to find instructions on how to make things. Slowly the space evolved into a community-driven space for creativity, innovation and learning. Children started bringing their family members and friends. Soon the space housed learners from ages 7 to 55. Participants not only learned from the internet, but would also learn from each other through collaboration and cooperation. The nature by which this space grew proved that learning can happen spontaneously and organically. All that people need to learn is curiosity, a space, and a community.

Project DEFY aims to democratize education and fuel a paradigm shift away from institutionalized learning and toward choice. Learning should be fueled by curiosity and should be a journey chosen and designed by the learner. Project DEFY aims to provide spaces to foster and nurture this curiosity, especially in communities where educational services are either non-existent or are failing to make an impact.

## Challenges in Education

There are two major issues with education that DEFY is committed to addressing. The first is **access** and the second is **quality**. Despite attempts by the international community to close the education chasm between the developed and developing world, a gap in the amount of enrolled primary school aged children still persists. The need for inexpensive education

solutions in developing nations is measurable. The World Bank reports that as of 2014, 84.9% of the global population of relevantly aged children were enrolled in primary school. Secondary education enrolment rate drops to 66%, and post-secondary enrolment is at about 34% (World Bank, 2016).

In some places, even though children are attending school, the quality of the education that they are receiving is extremely low. Pratham (<http://www.pratham.org>) found that even though enrolment went up in India, children were reading at a grade two level when they were in fifth grade (White, 2013). Therefore, even though enrollment may be high in some developing areas, the quality of the education may not be sufficient for children to get an education.

On top of that, even some of the most developed school systems are not fostering creativity and innovation in the classroom. A 2013 study found that 54% of educators in the United States thought that creativity could not be taught in schools because the current system does not value creativity. The same study found that 86% of educators and parents believe that fostering creativity requires a transformation of how schools work (Townbridge, 2013).

DEFY aims to fill these gaps, that is lack of access to education, lack of quality education, and lack of creativity and innovation in the classroom.

[Not only fill the gaps. DEFY believes that “choice” is a fundament that education must be built on. With choice comes interest, and without interest it is difficult to learn. Also, with choice comes relevance. Learning must be relevant to contextual realities of the learner. If not, such learning or education will have no application in the learner’s life, and he/she must simply strive hard to retain knowledge.

Choice ---> Interest

----> relevance

DEFY believes that a learner, especially one of young age, must learn how to make choices and identify what is of interest and relevance to the learner, and then go ahead to pursue the learning and consequently the interest (professional or personal).

But where can the learner learn “how to learn”?

This is precisely the dilemma of educational systems around the world. While they have focussed their efforts on skill and professional outcomes, they have ignored the process of learning which can be quite natural. Learning doesn't end after school, and so the learner must know the process and be able to apply throughout the lifetime.

The modern day does not present the old testament of a “single skill for a lifetime”. In modern lives, one must adapt, learn skills on the go as **contexts change quickly**. Which brings us again to our ability to make choices.

The solution seems quite obvious actually, once you look at learning at this depth - students need a safe space to learn how to make choices. Actually, seeing that contexts change quickly, in the modern day, **Education must be the safe space where learners learn to make choices**.

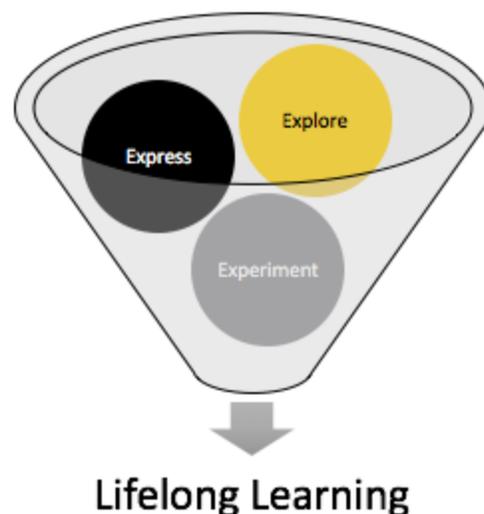
DEFY attempts to solve this dilemma by creating Nooks where learners can express, explore and experiment safely. They can make mistakes and fail without life-altering consequences. In fact, they learn how to deal with failures, and how to act thence. They choose what interests them consciously and what is relevant sub-consciously, and create their own learning.

Such learners will grow to become adaptable to changing contexts, and will be confident to pursue their passions.

### The Nook

The spaces that Project DEFY has designed for self learning are called Nooks. Nooks are low cost spaces that consist of an internet connection, a small building (a house is sufficient), tools, computers and community support. We take the word “Nook” from the Hindi word Nukkad (नुक्कड़) - a space in villages where people gather for their evening tea and to chat. For us, Nooks are safe corners where one can comfortably express, explore and experiment.

The space is staffed by a facilitator whose role is simply to introduce new participants to the



Nook and manage the space by keeping it safe and accessible. Students are introduced to the internet as a source of projects and inspiration. Use of websites such as Instructables and Makezine (websites that are repositories of project-based lessons) is encouraged. Learners begin to explore their interests by following instructions for projects from the internet, modifying them and eventually conceptualizing their own projects and using the internet as a simple reference guide for the more technical skills that they will need to in order to complete their projects. Projects also arise out of collaboration between community members; as the Nook grows and learners with diverse backgrounds and interests begin to attend the Nook, expertise is shared and a culture of learning is fostered.

## Market Analysis

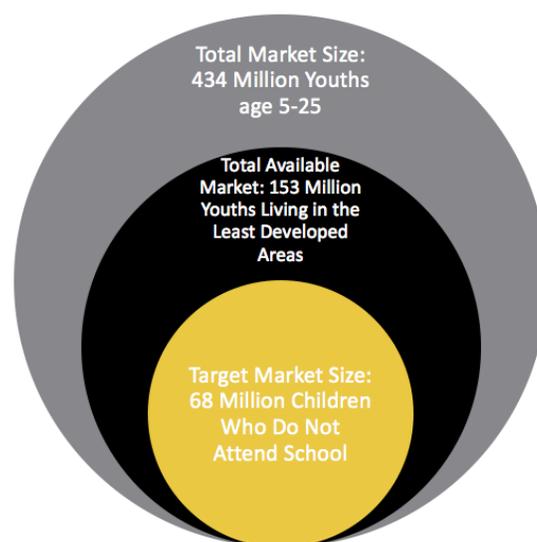
### Overview

Project DEFY’s learning philosophy and its mission of fostering innovation, creativity and self learning is relevant to all children, young adults and lifelong learners regardless of socio-economic status or geography; however, DEFY is primarily concerned with sharing its learning philosophy in areas where the need is greatest. The Nook, with its low-cost self-sustaining design, was created specifically to target the underserved communities around the world.

Regionally the most need in terms of access to education is in Sub-Saharan Africa where 27% of students are out of school. South Asia, specifically India, is the region with the next most need, with 22% of students not enrolled in school. There is data on five countries that have an out-of-school rate over 50% those countries are Afghanistan, Burkina Faso, Mali, Somalia, and South Sudan (World Bank, 2016). While project DEFY will target the most underserved children, the benefits of a Nook, and indeed the participation will extend to people of all ages in the relevant villages.

### Market Segmentation

Project DEFY is looking at serving populations in the least developed parts of the world. Globally, for youths aged 5-25 this population is approximately 434 million, and 153 million of these youths live in the “least developed” areas of the world.



## Target Market

Based on the greatest need, Project DEFY plans to cater its operation toward regions in and around India and Sub-Saharan Africa. DEFY will especially target communities where there is little or no primary school aged attendance, as this will indicate larger rates of non attendance of secondary and postsecondary schooling. Specifically Project DEFY's target market size, based on greatest need, is the 15% of children do not attend primary school in the "least developed" regions of the world, which equates to 68 million youths (Unicef, 2016).

## Analysis of Similar Organizations

Sugata Mitra's School in the Cloud is the most similar facsimile to DEFY's model. Like DEFY, School in the Cloud came about from simple experiments involving putting computers and internet access in underserved areas and letting the community come and utilise the computers for any purpose they deemed fit. The School in the Cloud has created SOLES, which like nooks only need a space and an internet connection. The SOLES are more reliant on a structure and facilitation than the DEFY Nooks. The emphasis in these spaces is completely dedicated to learning, whereas DEFY differentiates itself by also encouraging kids to make and do projects. Most importantly, SOLES also have high costs which prevent large scalability.

Currently traditional education models and DEFY's model are pursuing different goals. While they are both places of learning, DEFY's mission of teaching people how to learn and fostering creativity and innovation are not necessarily goals of the current school systems.

Alternative schools, on the other hand, may have similar goals to DEFY. An example of this type of school would be the Riverside School located in Ahmedabad, India. The Riverside School teaches a choice-based curriculum and focuses on fostering creativity by allowing the children to explore the world around them (Riverside, 2016). Another interesting approach to alternative learning is Mindlab. Mindlab works with traditional schools and provides strategy games, which are designed to help children develop critical thinking skills (Mindlab, 2016).

## Product Attribution Map

					Traditional Education System
Scalability	Advantage	Even	Disadvantage	Even	Disadvantage
Cost	Advantage	Disadvantage	Disadvantage	Even	Disadvantage
Community Ownership	Advantage	Disadvantage	Even	Disadvantage	Disadvantage
Hands on Learning	Advantage	Disadvantage	Even	Even	Disadvantage
Fosters Innovation and Creativity	Advantage	Disadvantage	Even	Disadvantage	Disadvantage
Learning Outcomes	Advantage	Even	Even	Disadvantage	Disadvantage

## Organization

### Governance

Project DEFY was incorporated in 2016 and is registered as a Section 8 not for profit company in India. Project DEFY has a board of directors that currently includes Abhijit Sinha, Megha Bhagat and Arvind Badrinarayanan.

### Management Team

Abhijit Sinha, Founder & CEO

Abhijit was troubled by the restricted learning in his engineering college, by the difference he saw in people from the cities and villages, and the discrimination behind it. He moved to the village of Banjarapalya, outside Bangalore, to experiment with his ideas on education, and Project DEFY was born. His work with Project DEFY in India has been aimed at creating a 180 degree flip in education by completely debunking the concepts of traditional schools and teachers, and bringing learning back to hands of people as opposed to those of governments and institutions.

Previously Abhijit worked in Uganda for an organization called Bodacart, which created an alternative ambulance using cheap local technology. He holds a fellowship from Kanthari (<http://kanthari.org>), an international institute for social change-makers in Kerala.

Megha Bhagat, Co-Founder, Chief Growth Officer

Megha Bhagat is a social innovator with a background in law. She has worked on designing strategies for livelihood creation, job creation through alternate learning and is responsible for DEFY's growth strategy, viability plans and partnerships. Previously she worked for NASSCOM as the Business Responsibility Officer and set up industry collaboration CSR forums in three cities. Since mid-2014 she has been with DEFY advising the start-up social enterprise with strategic

partnerships for running successful makerspaces in rural India.

Rajiv Shankar, Head of Communications

Rajiv has over 20 years of public relations and marketing experience in India. He has extensive experience working with education and IT based companies. He joined Project DEFY in October 2016 on a full-time basis and is responsible for all communication activities.

Graham Varley, Operations Manager

Graham is an experienced health and social care practitioner and manager from the UK. Over the past 30 years, he has designed, implemented and developed services and ventures for marginalised communities, both within the voluntary sector and inside local government. Throughout his career, Graham has maintained his commitment to grassroots social change activism, particularly in relation to disability. As a catalyst within the Project DEFY leadership programme he is excited to share his passion and knowledge of programme / project management and high performance teamwork.

Arvind Badrinarayanan, Co-Founder, Director

Arvind is a veterinarian and entrepreneur. He believes passionately that education must change dramatically and inspire every single child to tap into their potential. A lifelong maker, he believes that creatively creating is one of many ways to learn that we need to explore. He envisions a potential for new startups to work alongside project DEFY to bring manufacturing and design to the same table as education.

### **Staffing Plan**

Project DEFY plans to scale operations by hiring a number of staff that will be needed to prospect and set up Nooks in India and abroad. The staff will have the role of establishing partnerships, launching the nooks, and providing support for newly formed nooks. The staff in charge of growing Nooks will consist of builders, hoppers, and trailers.

*Builders* will be responsible for reaching out to various funding entities in order to grow the base of funders of the Nooks. Builders will have the goal of gaining as many nooks per partnership as possible.

The *hoppers'* main role will be to be present for the activation of a space. Hoppers will help the partnership set up norms, procedures and guidelines on how the space should run. We estimate that hoppers will need to spend anywhere from 2-4 weeks in the space to help get the nook initialized and create the first processes. Ideally this role will be filled by volunteers and interns in the future.

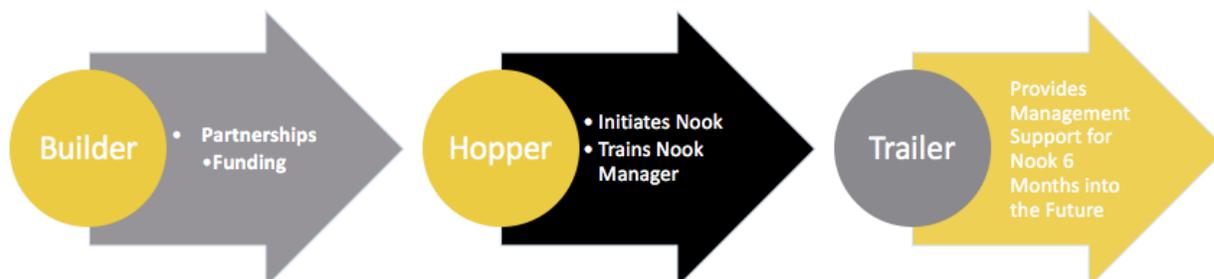
*Trailers* will be primarily concerned with helping new nooks with logistical consulting before activation, and will provide additional support for 6 months after the nooks opening of a Nook. Trailers will likely need to be available for one to two hours each week for each Nook.

## Operations Plan

### Operations Overview

Nooks are relatively easy to open and simply require a building, laptops, an internet connection, tools and material (recycled bottles, wood scraps, etc.). DEFY's operations are not designed to run a massive number of Nooks, instead Defy's operations are set up to create partnerships, start and activate Nooks. DEFY will also serve to foster a network between Nooks—a network that will provide ongoing community support to other Nooks.

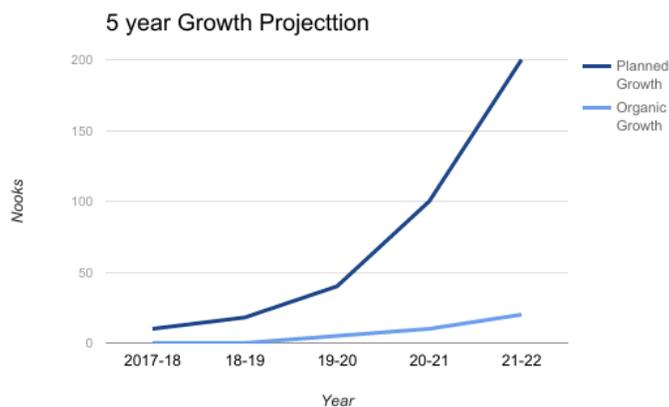
The Project DEFY organization will be set up to focus as much as possible on the activation and execution of Nooks. The main leadership roles will be set up to manage and lead these operations. Nooks will originate in the prospecting stage, wherein builders will find the partners and the funding needed to set up nooks. The project will then enter into the activation stage and will be passed to the trailers and the hoppers who will coordinate the logistics and the in person activation of the Nooks. trailers will continue to support nooks past the initial activation for 6 months. After that the Nook enters the self sustaining stage, where Project DEFY will be available for advice and additional support if needed



### Development

By 2022 Project DEFY plans to have opened around 375 Nooks. This will be made possible through the low cost solution that the Nook represents as well as the agile growth model that Project DEFY has demonstrated through the setup and support of their current Nooks. Ideally in five years, the Nook's open source model will catch on and Nooks will start opening up organically (without the need for Project DEFY's support).

In order to reach 375 Nooks, Project DEFY will rely heavily upon partnerships with NGOs, national and local governments, corporations, and other entities interested in providing a low cost method to encourage self learning and innovation. The partners will be responsible for the costs, upkeep, and longevity of these nooks, while Project DEFY will be responsible for the activation of these Nooks and general partner support. The activation of a Nook will take approximately 7 months (one month of logistical preparation and six months of activation and support). After this period the operating of the Nook should be self sufficient; however Project DEFY will be available for additional support on an ongoing basis.



Initially DEFY plans intend to open Nooks that are 100% funded by philanthropy. However as the organization grows, Defy plans to have most of the nooks funded by partnerships. As the organization grows the amount of staffing will also increase. Hoppers will be the largest group of employees that Project DEFY will likely need to reach its five year goals as the maximum amount of Nooks that a Hopper can activate in a year will be between 6 and 10, depending on experience. Other positions can support a larger amount of Nooks per person.

#### Major Milestones to be completed:

January-March 2017	Secure funding and partnerships for 6 new Nooks. Begin hiring and training hoppers and managers who will start running nooks in Q2
April-June 2017	Activate 2 new nooks. Secure funding for 4 additional new Nooks. Begin training for managers who will start

	running nooks in Q3
July-September 2017	Activate 4 new Nooks Begin training for managers who will start running Nooks in Q4. Begin securing funding for 5 new Nooks in 2018.
October- December 2017	Activate 4 new Nooks Begin training for managers who will start running Nooks in Q4. Begin securing funding for 5 new Nooks in 2018.
2018	Activate 18 new Nooks Develop self assessment software. Develop Nook Toolkit.
2019	Activate 45 New Nooks Launch Self Assessment Tools. Launch self Nook Toolkit.
2020	Activate 100 New Nooks.
2021	Activate 200 New Nooks

### Challenges and Risks

- Project DEFY has a non-traditional approach to education. This may prove to be a challenge in convincing governments and funders that there it is a viable solution. In India especially the established education system is very rigid, and the culture behind it does not support creativity. Backlash from societal norms is likely to be a major obstacle for DEFY.
- The Indian government does not make being an NGO easy. From complicated inefficient bureaucratic processes to requiring special permission for organizations to accept international money, the legal environment for NGOs in India is complicated. Project DEFY will have to anticipate any and all challenges that this Bureaucracy presents.
- Internet access might be a challenge, especially since Project DEFY is aiming to bring this

solution to the most underserved communities around the world (specifically in South Asia and Sub Saharan Africa). In many places the lack of connectivity could be the determining barrier as to whether or not DEFY is able to serve a particular community. Defy can manage this by partnering with NGOs whose mission is to bring internet to unconnected areas of the world. They can also initially focus on areas of need where the infrastructure does exist.

- Project DEFY has not yet tested the scalability of Nooks. While there has been much success with the test Nooks and the communities where they reside, the concept that these spaces can be recreated on a large scale and in a agile way is still a theory. There will likely be a number of unforeseen challenges that may be specific to each individual community and DEFY will have to be able to adapt to each circumstance in order to successfully make impact on a large scale.

## Funding Plan

### Overview

Project DEFY Plans to fund its project through a combination of contracts for services, philanthropy and grants. The main source of funding will come from partners which may be NGOs, governments, corporations and individuals interested in starting and running their own Nooks or interested in supporting DEFY's mission to become bring innovation, creativity and learning to underserved communities.

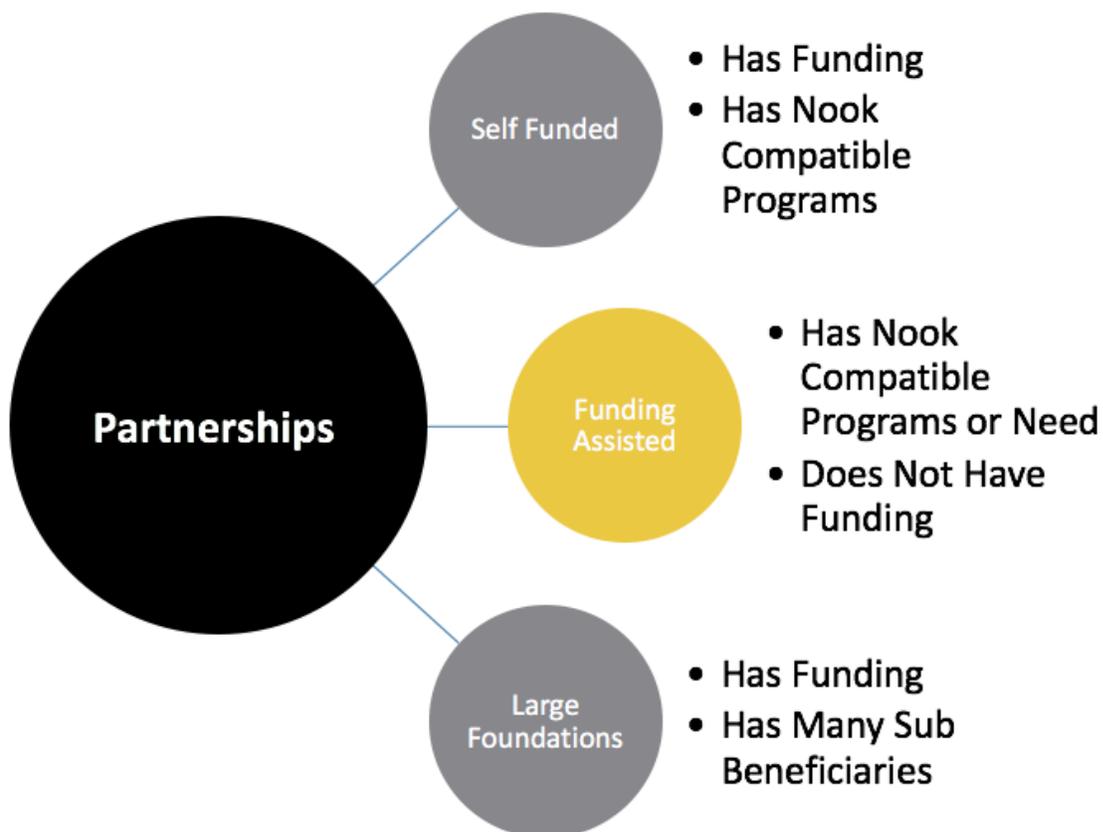
### Partnerships

DEFY focuses on engaging three types of partners. The first type is a self-funded partner. These partners will be responsible for funding all of the costs associated with setting up the space (rent, internet, tools, laptops, and personnel). Project DEFY will contract with these partners to activate the space for a small fee averaging ₹2,10,000. Self-funded partners will also be responsible for travel costs associated with setting up the space. These organizations will have both the funding and a compatible mission that will lend itself to an interest in setting up a Nook. Examples of these types of organizations might be: entrepreneurial NGOs, education NGOs, women's empowerment organizations, and community development NGOs.

The second type of partner will not have any funding but will still have a compelling interest to set up a nook in their community. For these partners Project DEFY will identify other partners to supply the initial start up funding and then will help the Nook figure out its own fundraising schemes going forward. Project DEFY may also use this scheme to open up Nooks where they see a need, even if there no partner NGOs working in the area. The ultimate goal would be for the community themselves to become DEFY's partner. Examples of potential partner organizations might be: small education NGOs, libraries, community organizations, small youth NGOs, etc.

The Third type of partnership would be with large foundations or humanitarian aid organizations. These partners would be the funder and would in turn connect DEFY with a variety of grantees that they believe would benefit from a Nook. Such organizations might

include the International Committee of the Red Cross, Doctors Without Borders, UNHRC, etc.



### Philanthropy

In addition to partners with funding, Project DEFY will have to garner funding from other sources in order to cover operating costs, special projects and Nook start up costs that partners cannot cover.

Project DEFY will seek some funding in the form of grants. Grants can be problematic in that they usually take a significant amount of resources in order to complete applications and they have to be tied to specific projects. DEFY will seek grants for specific project based activities such as funding new Nooks, creation of self learning evaluation tools, and a Nook creation toolkit.

Corporate Social Responsibility (CSR) funding can be a very lucrative and in India there is an abundant pool of CSR funding. CSR donations can be used for a variety of expenditures both operationally based and project based. Project DEFY is planning on targeting specific companies

with CSR programs that have an interest in helping fostering learning, creativity, innovation and creativity to underserved communities in India.

Donations, that is to say philanthropy that isn't held to the same restrictions that grants are held to, is going to be another important source of funding. General philanthropy will help Project DEFY cover its personnel and other operating costs, as well as cover the cost of unfunded new Nooks.

### **Other Sources of Funding**

To a lesser extent DEFY will explore the possibilities of putting on fundraisers and conferences to cover operating costs. These events can be very lucrative sources of money but also take a tremendous amount of resources to run, which detracts from the overall mission of the organization. Events however can bring awareness to the organization and may attract more philanthropy from other sources.

### **Funding Environment**

Project DEFY is situated within the context of global educational aid—an area of philanthropy that saw around \$13 billion in funding last year (Campaign for Education). In India alone, international aid for education doubled to \$806 million last year. The four biggest donors to India were the World Bank (\$499 million), EU institutions (\$116 million), the UK (\$109 million), and Germany (\$40 million) (Nanda).

Receiving outside funding for an organization in India is complicated; all money that is donated must be approved by the government under the Foreign Contribution (Regulation) Act (FCRA), 2010. Additionally, the government may at any time refuse to renew the FCRA license, meaning that an NGO would not be able to receive funds from outside India (Sampath, 2016). Project DEFY therefore needs to diversify its funders with both foreign and domestic sources.

There are 3.1 million NGOs in India; that is roughly one NGO for every 400 people (Anand, 2015). While this means that there is more competition for foreign aid and government grant money, it also means that DEFY's strategy for treating the NGO community as a primary market

for the creation of Nooks is fairly compelling. When entering into a partnership, Project DEFY does not have to depend on directly receiving grants and philanthropy, rather they can rely on other organization's funds to kick start and keep Nooks viable. The key to this strategy is finding NGOs with a relevant mission and enough money to justify funding a Nook.

India is a very good place to seek CSR funds. Businesses of a specific size are required by the Indian government under the 2013 Indian Companies Act, to use 2% of their net profit on CSR activities (Hiralal, 2015).

## Financial Projections

### Assumptions

- Based off of previous discussions with partners, DEFY is assuming that partners will be able and willing to give DEFY a ₹2,10,000 contract fee to activate Nooks.
- Under a contract fee model the partner will cover all nook costs.
- For nooks funded by philanthropy, Defy will need to find donations to cover all of the nook costs. Defy will not receive a contracting fee for these Nooks.
- Project Defy expects that in year one three Nooks will be funded from contracts and seven will be funded by philanthropic organizations and grants. By year two Project DEFY will fund half of its operation through partner organizations, and this ratio will increase until by year five Project DEFY will only philanthropy to cover 10% of the new Nooks that are opened.
- In the first year, Project DEFY will rely on donated office space, accounting and legal services. As the organization grows, the need for more sophisticated legal and accounting challenges will mean that DEFY will likely have to pay for these services. DEFY will also outgrow the Jaaga startup space, where they are currently housed.
- By year three Project DEFY will develop volunteer programs, wherein they will open up internships for hopper positions.
- The budget for DEFY-run Nooks will expand as the organization grows. While, the goal of DEFY is to create completely self sufficient Nooks, there is a very real possibility that some Nooks will periodically need DEFY's support on into the future.
- All costs will grow in order to keep up with inflation as well as Growing organizational costs.

**Costs:**

## Project DEFY's Operational Costs for 1 year

Salaries	₹ 27,60,000
Marketing Materials	₹ 1,20,000
L&D	₹ 1,20,000
Communication	₹ 24,000
Test Nooks	₹ 3,09,333
Event	₹ 150,000
Travel	₹ 2,40,000
<b>Total Operational Costs</b>	<b>₹ 37,23,333</b>

Manager	₹ 1,20,000
Electricity + Water	₹ 36,000
Internet	₹ 60,000
Materials(Nook)	₹ 60,000
Rent	₹ 60,000
Outreach	₹ 1,20,000
Maintenance + Buffer	₹ 12,000
Nook Space Deposit	₹ 50,000
Laptops	₹ 2,00,000
Tools	₹ 30,000
Outreach	₹ 10,000
Weighted Travel Costs	₹ 40,000
<b>Total Nook Costs</b>	<b>₹ 6,90,000</b>

Start Up Costs for a Nook (1 year)

**Pro Forma Income Statement:**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Net Revenue</b>	₹ 96,30,000	₹ 1,26,90,000	₹ 2,03,40,000	₹ 30,840,000	₹ 5,18,40,000
Revenue From Contracts	₹ 6,30,000	₹ 18,90,000	₹ 63,00,000	₹ 16,800,000	₹ 3,78,00,000
Revenue From Philanthropy	₹ 90,00,000	₹ 1,08,00,000	₹ 1,40,40,000	₹ 14,040,000	₹ 1,40,40,000
<b>New Nook Costs</b>	₹ 48,30,000	₹ 62,10,000	₹ 1,03,50,000	₹ 1,38,00,000	₹ 1,38,00,000
<b>Gross Margin</b>	₹ 48,00,000	₹ 64,80,000	₹ 99,90,000	₹ 17,040,000	₹ 38,040,000

**Expenses**

Salaries	₹ 27,60,000	₹ 41,10,000	₹ 69,62,000	₹ 1,16,43,600	₹ 2,14,08,055
Marketing Materials	₹ 1,20,000	₹ 1,44,000	₹ 1,72,800	₹ 2,07,360	₹ 2,48,832
Learning and Development	₹ 1,20,000	₹ 1,80,000	₹ 2,70,000	₹ 4,05,000	₹ 8,10,000
Communication	₹ 24,000	₹ 27,600	₹ 31,740	₹ 36,501	₹ 41,976
DEFY Nooks	₹ 3,09,333	₹ 4,56,000	₹ 6,96,000	₹ 13,92,000	₹ 41,76,000
Legal	₹ 0	₹ 0	₹ 60,000	₹ 60,000	₹ 60,000
Accounting	₹ 0	₹ 60,000	₹ 60,000	₹ 60,000	₹ 60,000
Electricity + Water	₹ 0	₹ 41,400	₹ 53,820	₹ 69,966	₹ 90,956
Volunteer Expenditures	₹ 0	₹ 0	₹ 3,60,000	₹ 5,40,000	₹ 8,10,000
Stationary	₹ 0	₹ 13,800	₹ 16,560	₹ 19,872	₹ 23,846
Office	₹ 0	₹ 3,00,000	₹ 3,60,000	₹ 5,40,000	₹ 6,48,000
Maintenance	₹ 0	₹ 69,000	₹ 69,000	₹ 69,000	₹ 69,000
Event	₹ 150,000	₹ 1,87,000	₹ 2,81,250	₹ 4,21,875	₹ 5,27,344
Travel	₹ 2,40,000	₹ 3,00,000	₹ 3,75,000	₹ 4,68,750	₹ 5,85,938
<b>Total Fixed Costs</b>	₹ 37,23,333	₹ 58,97,300	₹ 97,68,170	₹ 1,59,33,924	₹ 2,95,59,947

<b>Operational Margin</b>	₹ 10,76,667	₹ 5,82,700	₹ 2,21,830	₹ 11,06,076	₹ 84,80,053
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<b>Net Assets</b>	₹ 10,76,667	₹ 5,82,700	₹ 2,21,830	₹ 11,06,076	₹ 84,80,053
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## Metrics

The greatest challenge of alternative education systems has been monitoring and evaluation. There is no commonly accepted framework that can credibly assess the performance of the learner and the system. Organizations usually have to depend on anecdotal data or costly research studies, thereby making assessment and data collection unaffordable to small, new systems. The situation is worse in self-learning, where until now there hasn't existed a model to even test such a system.

For the last 3 months DEFY has been working on creating parameters for self-assessment of the learners and extending that data to understand the performance of the Nook and of Project DEFY.

We are now also developing an open-source disability-accessible **Monitor & Evaluation (M&E) software** that will help in collecting this data and create interpretations for the learner to understand his/her own progress relative to him/herself, and also help us to understand the higher level performance of Nooks and DEFY.

This software will be secure and no individual data can be passed on without permissions from the individual. The data that will be published openly will be only statistical. The software will be open sourced after 9 months of development and testing. Hence other educational organisations will be able to customise the software and use it to assess their own performances and enable their learners to self-assess their own learnings too.

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